Utah GHG Reduction Goal Setting Process

The BRAC appointed by Governor Huntsman made 72 policy recommendations for reducing greenhouse gas emissions. One recommendation was that the state set a reduction goal. In May of 2007, Governor Huntsman signed on as a partner in the Western Climate Initiative. As part of the WCI memorandum, Utah and other members agreed to set a greenhouse reduction goal for their jurisdiction.

BRAC members and stakeholders expressed a strong preference for using a "ground-up" process for setting a GHG goal rather than simply setting a "top down" policy goal. Simply stated, the Utah process will be ambitious, but based on a realistic assessment of actions, their effectiveness and economics rather than an aspirational goal.

The GHG goal is a policy target. It is not a regulatory cap or a legal mandate of any kind. It is intended to guide policy decisions and to be updated to reflect major changes. We anticipate significant caveats for the goal to ensure that it is not interpreted as a static, "final decision", but as a dynamic tool, subject to new knowledge and information.

Utah DEQ has engaged the Nicholas Institute for Environmental Policy Solutions to perform a series of cost-benefit and other economic analyses to evaluate BRAC policy options more quantitatively than was possible during the BRAC work. Nicholas was tasked to estimate the effectiveness of many of the options as well as their costs and economic impacts. The study was based on assumptions and inputs provided by Utah stakeholders and evaluated GHG reductions over time for many individual and groups of strategies. In addition, different "futures" were considered that might represent changes in technology or economic conditions. The methodology was especially meaningful in how it considered options together and not in isolation showing that some options leveraged each other while some "cannibalized" reductions. To the greatest degree possible, the options evaluated represented those that had the most support, greatest reduction potential, and/or least cost. A more detailed description of their work will be in their project report. Their work will be used for a number of policy considerations, not just a GHG reduction goal.

Several policies that reduce greenhouse gases are already in place in Utah. For example, the Governor has set a target of increasing energy efficiency by 20% by 2015, recent legislation requires that utilities generate 20% of their power from renewable sources by 2025, demand-side management programs are in place and growing, several cities have active climate programs, and mass transit is increasing. A number of federal programs will also reduce carbon emissions in Utah. Examples are the new CAFÉ standard, CFL lighting requirements, etc. All these measures were included as part of the reduction future and could be estimated with some certainty.

However, additional actions are needed for meaningful reductions. Quantification of these actions is less certain. Options include lower emitting coal-fired power plants (like IGCC), more stringent auto emission/mileage standards, more aggressive DSM, more energy efficiency and renewable energy sources. In addition, WCI is planning a carbon cap and trade program and federal legislation is in the offing. Stakeholders were consulted on the timing, cost and

effectiveness of these options. This information was used to model when and how great reductions would be.

Staff will evaluate all the information to assemble options for our initial set of goals. As described earlier, the goal is just one policy tool to achieve reductions and must continue to be evaluated in light of changing economic, technological and demographic conditions. Ongoing stakeholder input will be sought and used for evaluation of appropriate goals.